



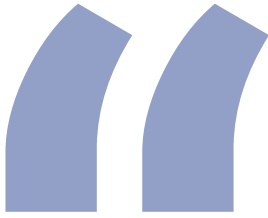
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BHUTAN YDF SOCIAL ENTERPRISES

ANNUAL REPORT --- 2021

Harnessing The Power Of Business To Develop Youth





It is evident that there are many opportunities for entrepreneurship and commercial farming in our country. In addition, our youth are educated, capable, and enthusiastic. If our financial institutions are able to extend unstinted support to young entrepreneurs and farmer, and help in creating numerous opportunities for them we will derive countless benefits.

It will go a long way in strengthening the sovereignty and security of our country, and furthering our social policy of equity and our national objective of self- reliance. If our youth, who are well educated, are able to succeed, it will benefit our country as a whole



**His Majesty The King Jigme Khesar Namgyel Wangchuck
109th National Day Celebration, 2016**





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Message from our Chairperson

Since 2013, Bhutan Youth Development Fund (YDF) has effectively introduced Social Enterprises to demonstrate innovative business models, enhance existing developmental programs and innovate evolving youth challenges towards economic development of the country.

As Bhutan is still navigating through the global pandemic, we must remember His Majesty The King's effort in making the youth of Bhutan self-reliant. Social Entrepreneurship is an approach towards providing the youth with the opportunities to skill, upskill and reskill for a more inclusive Bhutan.

As we reflect back on the past year, despite the challenges faced, the management and team at YDF has shown extraordinary resilience against many difficulties. With the guidance of our President Gyalyum Tseyring Pem Wangchuck, 2021 has been a year of milestones at Bhutan YDF Social Enterprises (YDFSE) where we worked towards *"Harnessing the Power of Business to Develop Youth"*

This year, we supported many aspiring entrepreneurs with various upskilling opportunities as well as startup seed funds through Innovate Bhutan in an effort to combat the pandemic. Through the Green Weaving Centre, we connected Green Weavers from across three eastern dzongkhags to preserve the weaving culture of Bhutan. To preserve the natural environment and address the waste issue in the country, Waste Recycling Enterprise upcycled over 40 metric tons of waste paper into pulp egg trays for poultry farms in Bhutan. All these efforts are being made in an effort to solve the socio-economic challenges of the country due to the pandemic.

Moving forward, I would like to express my gratitude to all our partners within and outside of Bhutan and look forward to your continuing support.

Her Royal Highness Ashi Chimi Yangzom Wangchuck

Chairperson of Bhutan YDF Social Enterprises
Vice-President of Bhutan Youth Development Fund

01 Purpose and Values

People, Planet and Prosperity

Guided by the principles of the people, planet, and prosperity – it is adding social and environmental good to the goal of turning a profit.



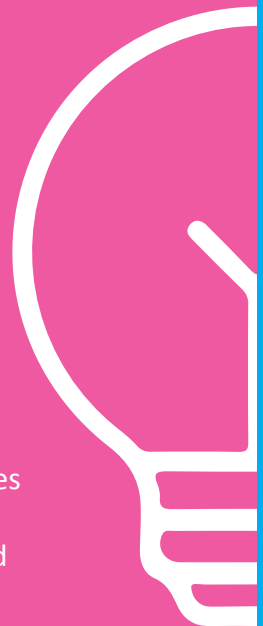
Our Values

Impact
Integrity
Collaboration
Equality
Service
Innovation



Our Vision

A society in which businesses balance profit with people and the planet.



Our Mission

We empower young people, as well as innovate and jointly develop businesses that create positive social and environmental impact.



02 Story of Impact and Innovation

We are self-sustaining businesses that create social and environmental impact by offering innovative solutions to social challenges.

150

Young social entrepreneurs trained



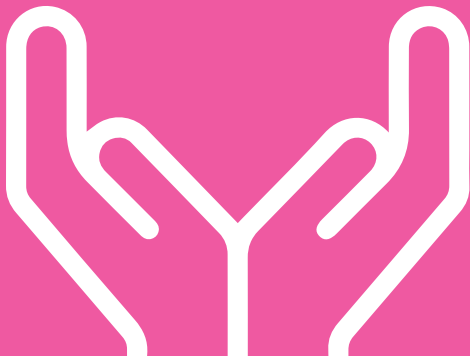
46

Green weaves
connected in 3
districts



07

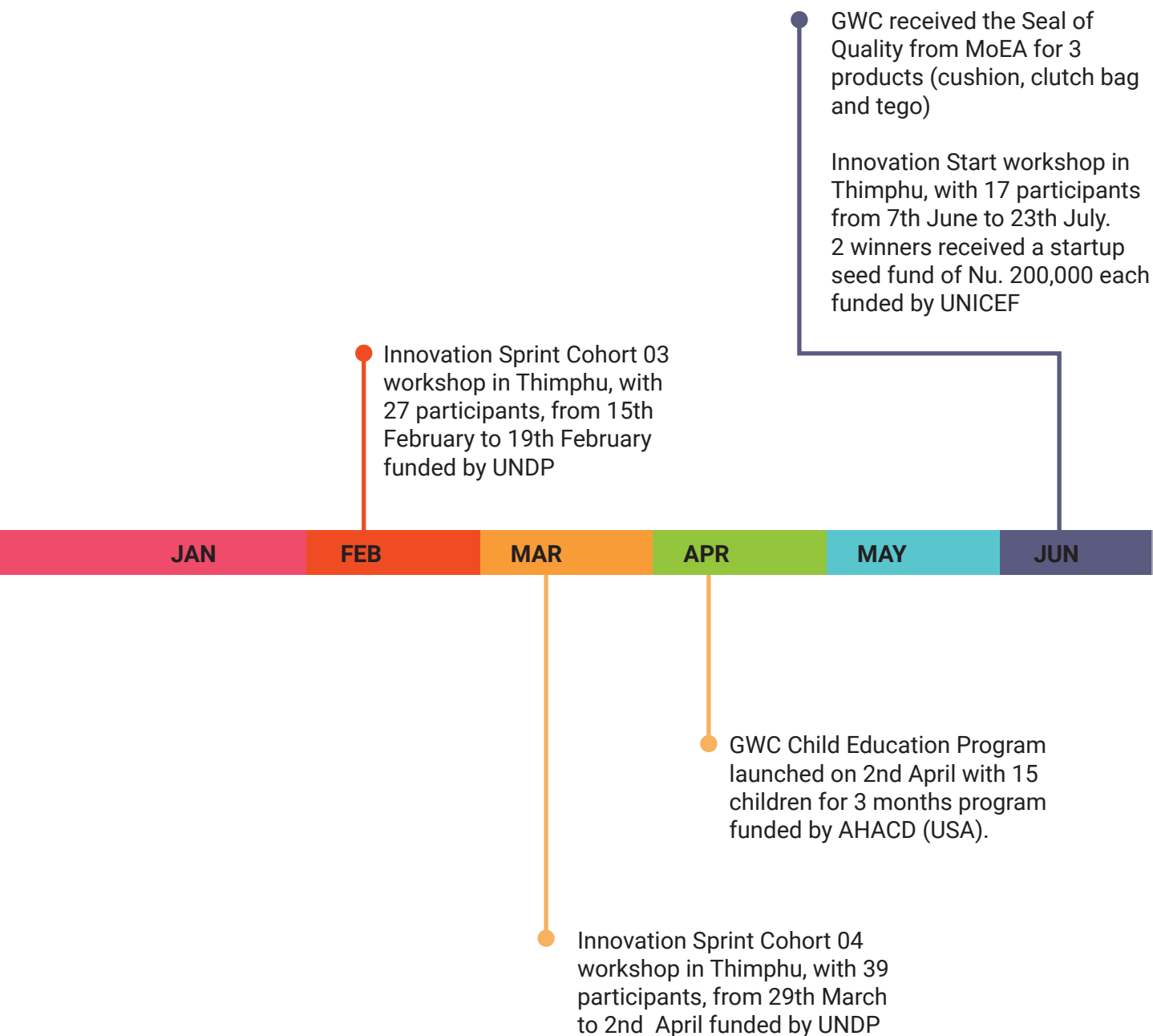
Social business
ideas supported

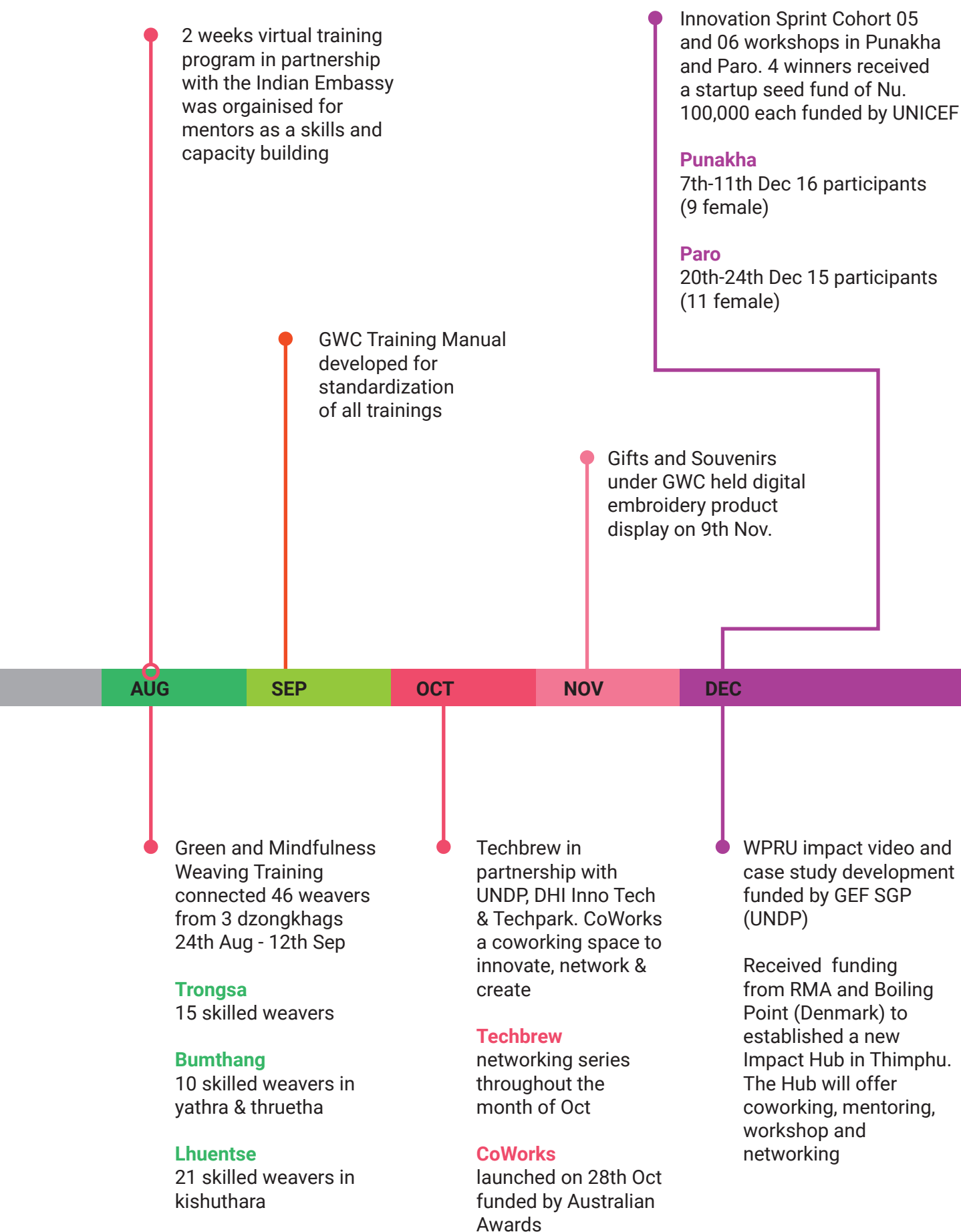


41,200 kgs
waste paper upcycled



03 Year-in-review 2021





7

social businesses
supported

150

young people
trained

40

businesses
pitched



At iBhutan, we aim to wed social and business innovation and forge empowered leaders to create socially and environmentally innovative ventures in Bhutan.



Innovate Bhutan

YDF Centre for Social and Business Innovation

The current pandemic has fueled transformation more than ever. Prioritizing innovation today is the key to unlocking post crisis growth sustainably. Innovate Bhutan (iBhutan) is a place for young entrepreneurs, innovators, investors, policymakers, and mentors to be the change makers. It was founded on 2020.

iBhutan in partnership with UNICEF, UNDP and Indian Embassy has trained over 150 young entrepreneurs and facilitated seven social businesses to launch in Wangdue, Gelephu, Punakha, Paro and Thimphu in 2021.

A total of four Innovation Sprit (iSprint) and one Innovation Start (iStart) training programs were conducted throughout the year for young and



aspiring social entrepreneurs. iBhutan successfully piloted the mentorship program for two weeks integrated within our seven-week social entrepreneurship program.

The soft opening of iBhutan's new Co-working Space (CoWorks) an avenue for social and business innovators to collaborate supported by Australian Awards was graced by Her Royal Highness Ashi Chimi Yangzom Wangchuck, the Vice-President of YDF along with other strategic partners.

To exchange ideas and create a learning atmosphere iBhutan in partnership with UNDP, Thimphu Techpark and DHI Inno Tech organized a series of networking events - TechBrew.

iBhutan's idea of creating impact and epitomizing what Bhutanese entrepreneurs can achieve has received funding support from Royal Monetary Authority and Boiling Point to build an Impact Hub in 2022 with the goal to curb socio-economic issues in the country.

Social Entrepreneurs



L2L program was a great platform for my team to learn, network and connect with potential investors. We have completed testing out prototypes and currently waiting to obtain our machineries.

Pema Choden
iStart participant.

Bhutanese arts collection of over 33 items cased with quality packaging. Bhutan in a box for tourists to carry around and promote Bhutan.

Phuntsho Wangdi,
Little Box iStart winner,
Thimphu.



A social/environmental mission to tackle the increasing issue of single-use plastic wastes in Bhutan with the vision to promote a circular and sustainable economy.

Sonam Jamtsho,
Ecoville iStart winner,
Thimphu.



To be the best service provider for waste management in Punakha Dzongkhag. To address and solve of waste while providing employment opportunities to the youth.

Sonam Wangchen,
Druk Phuensum Tsangdra
iSprint 05 winner, Punakha



Cleaning and maintenance of high storied buildings is seen as a challenge for many building owners. We are trying to solve this problem by using ropes with safety measures in cleaning and maintaining the buildings.

Rohan Ghalley,
Bhutan High Ropes iSprint 06 winner,
Paro



To ensure continuous supply of fresh organic vegetables throughout the year. To provide an alternative for soil base farming to communities in Punakha.

Loday,
Toeb Hydrponics iSprint 05,
Punakha

Druk feeds aims to provide chemical free feed with superior quality to all locally available ingredients and help in reducing import of animal feed from outside.

Deki Choden,
Druk Feeds iSprint 06 winner,
Paro.



Green Weaving Centre

YDF Centre of Weaving and Education

The Green Weaving Centre (GWC) was established in 2020 in partnership with the Academy of Himalayan Art and Child Development (USA). It serves as a nexus for education, demonstration, product development, and sales and marketing of locally created artisan textile and souvenir products.

The Child Education Program was launched by Her Royal Highness Ashi Chimi Yangzom Wangchuck on 2nd April 2021 with the goal to provide a platform where the mothers teach their children the skills and knowledge on weaving culture of Bhutan through creating textile arts and crafts, natural dyeing, painting, storytelling and yoga class. The three months program trained over 15 children.

GWC was awarded the the “Seal of Quality” by the Ministry of Economic Affairs for three products (Cushion cover, clutch bag and tego) on the 27th of June 2021. In partnership with the EU project GWC was also selected as one of the beneficiaries to promote GWC’s products.

The Green and Mindfulness training was conducted in three dzongkhags - Trongsa, Bumthang and Lhuentse connecting over 40 skilled weavers. The training includes natural dye based weaving, yoga for physical and mental well-being and awareness on green weaving. A training manual was also developed to create a standardized plan for all future trainings.

As GWC gears up to launch in the market, a financial and marketing strategy has also been developed. GWC will have a community of Green Weavers designed to evolve and portray authentic artistic life experience that illustrate both GNH education and eco-friendly business model later on.

At GWC, weavers are expected to gain important knowledge and skills in arts, child development, and sustainable living.



15
children
participated

46
green weavers
connected

3
seal of quality
received



Waste Paper Recycling Unit

Bhutan is not immune to global waste problem. We generated over 63,000 metric tonnes of waste in 2020. With the goal to reduce waste and youth unemployment, YDF started a 'Waste Paper Recycling Unit (WPRU) in Thimphu, in 2015. In the last 6 years, WPRU had upcycled over 270 metric tonnes of waste paper cardboard into pulp egg trays for poultry farmers in the country.

Impact is at the core of what we think and do. To prove and improve, a data-based impact assessment was conducted with the support from GEF SGP (UNDP). According to the carbon valuation of the enterprise by an environment specialist, the WPRU is saving 985 trees, 2027 litres of water, 142 tonnes of Green House Gas emission avoided and sink protected as the overall environmental return per year.

An impact video and case study was developed which will be communicated to stakeholders and general public, and included on the new education curriculum (business and entrepreneurship) in schools all over Bhutan.

In pursuit of sustainable environment (waste management) and food security (poultry farming), a second wastepaper upcycling unit will be launched soon upon securing of the funding. The pulp egg tray market for over 800 poultry farms in Bhutan is still 'unmet'.

*With the vision to preserve
Bhutan's natural environment,
the social enterprise upcycles
waste paper into pulp egg
trays for poultry farms.*

Case Study

With the vision to preserve Bhutan's natural environment, the enterprise upcycles wastepaper into pulp egg trays to meet the demands of the local poultry farms. On the social front, it offers employment opportunities to the youth and generates fund for the youth development projects in Bhutan.

Bhutan Youth Development Fund (YDF) launched the green enterprise in 2015 with an establishment funding from the UNDP's Small Grant Program (SGP) and Goodwill Foundation USA on an industrial estate area leased by the Ministry of Economic Affairs at Bjemina, Thimphu.

In the last six years, the green enterprise has upcycled over 270 metric tonnes of wastepaper and manufactured more than 4 million egg trays (valued at Nu. 13.2 million) for poultry farmers in Bhutan. As a social enterprise guided by the principles of the triple bottom-line — people, planet, and prosperity, it is adding social and environmental good to the goal of turning a profit by:

People (social): employing young and early school-leavers, in particular, those youth who are recovering from substance abuse addiction as production associates. Through our local distributor, Karma Groups, pulp egg trays go to poultry farms at a competitive price.

Planet (environment): collecting and upcycling wastepaper into pulp egg trays, through conscious, sustainable ways leaving behind a minimum ecological footprint. According to a UNDP environment expert, the annual environmental value of the enterprise is 142 tonnes of GHG emission (Green House Gas) avoided and sink protected, 985 trees saved and 2027 litres of water saved due to upcycling of waste papers.

Prosperity/Profit (economy): boosting local economy by substituting import of egg trays; and generating surplus to be self-sustaining and support the organization's overall youth development efforts like education scholarship, rehabilitation of drug addicts, etc.

Like any entrepreneurial venture, and as the country's first egg tray manufacturer, the social enterprise has had challenging times. Drying of egg trays has always been the challenge, since the enterprise follows natural drying process, and for the fact that egg trays have high moisture content. Generating huge surplus is also difficult because pulp egg tray is a low economic value product and the enterprise is a not-for-profit venture — the dual economic and social foci of social enterprises. The ability to scale-up becomes challenging in many ways.

Today, the enterprise produces on average 15,000 egg trays per week from waste papers received free from various government and corporate offices; and bought from Greenerway, schools, and private garbage vendors in Thimphu, which would roughly be 1250 kgs (average) of wastepaper. At the speed of over 50 metric tonnes of wastepaper upcycled, in the next ten years, the enterprise will be saving 9850 trees as well as 1419.49 tonnes of GHG emission avoided and sink protected.

Waste in Bhutan will continue to grow with growing population and consumption pattern. So is the growth of poultry farming due to dedicated support from the Government. The future of the green economy is hopefully promising as YDF ventures into another egg tray project aimed at achieving the goal of saving 10,000 trees and 1,500 tonnes of GHG emission in the next five years.

Around the world, social enterprises are fast emerging as an entity of the alternative economy. When the traditional economic systems of a country or market-based solutions fall short to ensure well-being in the society, social enterprises can spearhead disrupting models to solve growing social problems. Bhutan's Gross National Happiness development framework and carbon-negative status quo is a fertile ground for such kind of business models to test and grow. To have an enabling ecosystem, Bhutan can still emulate countries with proper support mechanisms and structured policies for social enterprises.

2027
litres
of water saved per
year

985
trees saved per year

142 tonnes
of GHG emission
(Green House Gas)
avoided and sink
protected per year



04 Collaboration and Culture

Partnership In 2021, YDFSE has gained many important partnerships with different organisations that believe that the youth are the future of Bhutan. iBhutan has worked closely with UNDP and UNICEF in organizing iSprints and iStart. iBhutan in partnership with Indian Embassy has also organised a two weeks program for iBhutan mentors. A series of networking event was organised in collaboration with UNDP, Thimphu Techpark and DHI Innotech in the month of October. GWC has partnered with a strong network of skilled weavers from Trongsa, Lhuentse and Bumthang in 2021 who will later be known as Green Weavers. GWC plans to employ network of weavers all over Bhutan. The green weavers will become a part of GWC's supply chain who are eligible to produce green fabrics. In 2021, Gifts and Souvenirs, which was initially an enterprise on its own has merged together with GWC for business optimization due to the impact of the Covid-19 pandemic on tourism in Bhutan.

Our Partners/Collaborators



Empowered lives.
Resilient nations.



EMBASSY OF INDIA



Academy of Himalayan
Art & Child Development

Boiling Point,
Denmark



Australia Awards



Bhutan
FOUNDATION



De-suung
Skilling
Programme





Capacity Building, YDFSE strongly believes in learning and enhancing one's skills. The team at YDFSE has attended various training programs as part of capacity building. Trainings such as digital marketing, business development for service providers and various trainings on EU project preparations are some of the few trainings the team took part in. Capacity building improves one's knowledge and skills that cannot be learned on the job.

In 2021, a five year strategy for YDFSE has been developed. The strategy acts as a guideline for what each enterprise is working towards to achieve the goals set. It allows all enterprises to step back from day-to-day operations and analyze the bigger picture.

YDFSE also welcomed a new team member as the marketing officer in May. She takes care of all marketing activities for all enterprises alongside with the project coordinators. In October 2021, the WPRU organized Waste Paper Collection Drive to collect waste paper in the capital city. For this green initiative five interns who wanted to make a social impact to the society were recruited. The interns were with us for a period of one month where they collected four tonnes of waste paper from Thimphu. The waste paper is used in making pulp egg trays.

The team at YDFSE has weekly huddle every Tuesday for 30 minutes to create positive energy and build engagement among team members. It is a practise that keeps everyone in the loop of what each enterprises will focus on for the week. Not only does it build team synergy but also motivates everyone to set their goals for the week. The huddle is followed by a team lunch where the team relaxes over warm lunch. YDFSE strongly believes in working together rather than separately.



05 Financial Summary 2021



Bhutan Youth Development Fund Social Enterprises
Thimphu, Bhutan Nazhoen Pelri Youth Center,
PO. Box 255, Genyen Lam

Tel: +975 2 328096 / 329135
Email: info@bhutanyouth.org
www.bhutanyouth.org | www.innovatebhutan.org



@ydfse_bhutan